

NON-BRIEFING

27 July 1955

INDONESIA

- I. In President Sukarno's absence, Vice President Hatta is conducting discussions with leaders of Indonesia's 20 parliamentary parties and factions <sup>(and hopes to appoint by Friday, 29 July.)</sup> preliminary to appointing cabinet caretaker.
  - A. All cabinet, which resigned 24 July, continues in office as caretaker government.
- II. Formation of new cabinet is complicated by fact it must be acceptable to army.
  - A. Army leaders, who forced cabinet collapse, reportedly told all parties that formation of new cabinet will not in itself solve army crisis. Simbolon-Sumatra commander -
  - B. Army is expected to press new government for guarantees on army policy--particularly with regard to organization and training, and for thorough understanding on limits of political influence in military establishment.
- III. Hatta and Sukarno are expected to work toward formation of regular parliamentary cabinet despite pressure from former opposition parties--led by Masjumi--for "presidential cabinet" appointed by president and responsible to parliament.
  - A. No clear indication yet who has inside tract--Hatta known to be partial to Masjumi, but Sukarno would prefer a representative of some other party as new premier.

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IV. Cabinet formation in Indonesia is lengthy procedure.

- A. Formation of last four cabinets required from five to ten weeks.
- B. With elections close at hand--29 September--sharp bargaining
- C. may not seem essential, and matters may be speeded up.

V. *Widjojono favors speedy formation of cabinet.*  
If cabinet negotiations last month or more Indonesia's first national elections may be delayed.

- A. Indonesian government is highly centralized and during period of cabinet formation, all but most routine activity stops.
- B. Preparations for elections have not been completed.
- C. Moreover, Ali government, faced with prospect that a new cabinet will be in office at time of elections, will have little incentive for meeting present election deadline.
- D. Incoming regime will also probably wish to inspect electrical machinery before proceeding.